## Message Text

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PAGE 01 STATE 077266

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E.O. 11652: DECONTROL 7/1/78

TAGS: EAID, CE

SUBJECT: CEYLONESE AMBASSADOR'S CALLS ON ASSISTANT SECRETARY ATHERTON AND AID ASSISTANT ADMINISTRATOR NOOTER

REF: COLOMBO 1001

1. BEGIN SUMMARY: CEYLONESE AMBASSADOR CALLED ON AID ASSISTANT ADMINISTRATOR NOOTER APRIL 3 AND ASSISTANT SECRETARY ATHERTON APRIL 4 TO DELIVER SEPARATE LETTERS FROM PRIME MINISTER BANDARANAIKE TO PRESIDENT. THE FIRST LETTER DEALT WITH SRI LANKA AID GROUP MEETING IN IARIS AND THE SECOND WAS THANK YOU FOR FY 75US ASSISTANCE. KANAKARATNE MADE PITCH IN BOTH MEETINGS FOR FORTHCOMING US POSITION AT PARIS. ATHERON AND NOOTER RESPONDED THAT WE WISHED TO CONTINUE ASSISTANCE TO SRI LANKA BUT SUGGESTED SPECIFIC PLEDGES MAY NOT BE POSSIBLE AT THIS TIME. LIMITED OFFICIAL USE

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PAGE 02 STATE 077266

END SUMMARY.

2. IN CONVERSAION WITH ATHERTON, KANAKARATNE SECONDED THANKS EXPRESSED IN PRIME MINISTER'S LETTER TO PRESIDENT FOR VERY TIMELY US ASSISTANCE IN AGREEMENTS SIGNED MARCH 25. HE RECALLED CONVERSATION DAY PREVIOUS WITH NOOTER AND SAID HE HOPED USG WOULD KEEP SRI LANKA NEEDS IN MIND AT PARIS PARTICULARLY SINCE OTHERDONORS TENDTO FOLLOW US LEAD. ATHERTON RESPONDED THAT HE HOPED RECENT US AID AGREEMENTS

WITH SRI LANKA WOULD BE USEFUL IN INDICATING AMERICAN INTEREST IN CEYLONESE ECONOMIC DEVELOPMENT. HE NOTED THAT WE HOPED TO BE RESPONSIVE TO CEYLONESE NEEDS IN COMING YEAR BUT UNCERTAINTY OVER PL 480 PROGRAM GENERALLY AND PRELIM-

INARY STATUS OF OUR CURRENTBUDGET PROCESS MEANS THAT WE PROBABLY WILL NOT BE ABLE TO PROVIDE SPECIFIC DETAILS AT PARIS.

- 3. KANAKARATNE RECALLED THAT CEYLONESE WERE PLEASED WITH ATHERTON'S STATEMENT IN CONGRESSIONAL HEARINGS LAST FALL REGARDING US SPECIAL AFFINITY FOR SRI LANKA BECAUSE OF SHARED DEMOCRATIC INSTITUTIONS. HE NOTED THERE WERE FEW BILATERAL PROBLEMS ALTHOUGH ON DIEGO GARCIA WE HAD DIFFERENCE OF OPINION.
- 4. KANAKARTNE THEN ASKED FOR ATHERTON'S COMMENTS ON AREA OF HIS RESPONSIBILIY. ADDRESSING SOUTH ASIA, ATHERTON REVIEWED CONSIDERATIONS WHICH PROMPTED US DECISION TO LIFT ARMS EMBARGO FOR INDIA AND PAKISTAN AND SAID WE BELIEVED DECISION WAS COMPATIBLE WITH CONTINUED SIMLA PROCESS WHICH WE FULLY SUPPORTED. ON MIDDLE EAST HE NOTED US IS STUDYING NEW SITUATION AND REMAINS COMMITED TO DO ALL WE CAN TO KEEP PEACE-MAKING PROCESS MOVING. SAID HE THOUGHT ALL INTERESTED PARTIES WERE ACTING WITH RESTRAINT AND REALIZED THAT THE SIUATION, IF IT GOT OUT OF HAND, WAS NOT AS CONTAINABLE AS IN EARLIER YEARS.
- 5. IN APRIL 3 CONVERSATION WITH NOOTER, KANAKARATNE TOOK SIMILAR LINE TO THAT TAKEN WITH ATHERTON ON PARIS AID GROUP MEETING. NOOTER NOTED NEGAIVE COMMENTS IN WORLD LIMITED OFFICIAL USE

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PAGE 03 STATE 077266

BANK REPORT ON SOME ASPECTS OF CEYLONESE ECONOMIC PERFORMANCE. KANAKARANE RESPONDED HAT GSL SOMETIMES GOT IMPATIENT WITH LACK OF CONTINUITY IN ANNUAL WORLD BANK STUDIES OF SRI LANKA ECONOMY. BANK SENT NEW TEAMS EACH YEAR WHO HAD LIMITED KNOWLEDGE AND COMPETENCE TO ASSESS SRI LANKA'S PROBLEMS. NOTED THAT BANK ECONOMISTS HAD GOOD THEORETICAL VIEW BUT COULD NEVER ANSWER CEYLONESE QUESTION ON HOW THEY WOULD DEAL WITH PRACTICAL POLITICS OF MANAG-

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ING A DEVELOPMENT PROGRAM IN DEMOCRATIC SRI LANKA. INGERSOLL
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## Message Attributes

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